

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1568 - HB 2077**

February 22, 2016

**SUMMARY OF BILL:** Requires each local education agency (LEA) to maintain a record of when, why, and by whom student records, or other personally identifiable information, is accessed.

If such records are maintained as electronic records, the identity of any person accessing a record through an Internet or cloud-based data system shall use two factor authentication.

Requires all LEAs to notify a student's parent or guardian each time a student's education records or other personally identifiable information is accessed.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures – Exceeds \$100,000/One-Time\***  
**Exceeds \$100,000/Recurring\***

Assumptions:

- It is assumed the provisions of this bill do not apply to the Department of Children's Services, though the Department is technically considered a local education agency pursuant to Tenn. Code Ann. § 37-5-119.
- Student records and other personally identifiable information are accessed hundreds of time each day by multiple LEA staff.
- It is unknown whether LEAs currently use two-factor authentication software when LEA staff log into their LEAs' student information databases or whether LEAs will be required to purchase such software.
- Based on information from the Comptroller and the Department of Education, LEAs will purchase software to send out automatically-generated emails when student information is accessed and for the purpose of maintaining a log for when, why, and by whom student records are accessed.
- Software purchases may require a per user fee that is renewed each year.
- LEAs will purchase software through the RFP process and will choose from multiple vendors; it is reasonably estimated that the mandatory one-time increase in local expenditures will exceed \$100,000 statewide, and the mandatory recurring increase in local expenditures will exceed \$100,000 statewide.

- These costs will include set up and maintenance of a two-factor authentication software for employee log-ins; set-up and maintenance of an automatically-generated email solutions that has the ability to send an email or other electronic notification to multiple households each day; and the hiring of any necessary LEA technology staff to manage and administer the new software and database.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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